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[redacted]

1. The "Ganz Electric Works" is located in Budapest II, at Lovonhaz Utca 39, one kilometer from the west bank of the river Danube in a select residential neighborhood. It is bounded by Lovonhaz St, Feney St, Marczibanyi Terrace, and a rifle range. 50X1-HUM

2. Up to 1946 and prior to nationalization the company was owned by the Hungarian General Credit Bank having a working agreement with the "Allgemeine Electricitats Gesellschaft" Berlin. Through this company technical and design assistance was obtained [redacted] 50X1-HUM

3. Employment averages 3000 - 3500 workers, with 400-500 technical and commerical employees. The engineering department does the planning for power plants located in Hungary, which accounts for the large number of engineers. Women comprise 30-35% of the workers, and skilled workers about 25%. There is a shortage of all types of workers which makes a third shift impossible. The management is in the hands of members of the Communist Party. Trade unions have little influence in directing the affairs of operation. Employee morale is low due to shortages of food and housing.

4. In 1951, the Chief Engineer was Francis Rathovsky; other personnel are electric motor designer, Michael Gober, and Andrew Mandy, designer of electric motors and generators.

5. The plant was bombed and burned during World War II. New buildings of reinforced concrete of up-to-date design, five or six stories high, replaced the destroyed ones. The usual dimensions are 20 x 80, 20 x 100 or 20 x 120 meters. Accordingly pre-World War II air photos are useless for building identification purposes. As the ground area is limited, being hemmed in by homes, the expansion has been vertical instead of horizontal. The plant cannot expand

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on its present site. If it is necessary to build a new plant at another location, the city of Esztergom, 45 kilometers from Budapest, is a potential site. The major reason for constructing a new plant at another location would be to provide economical operation rather than to meet increased demand since the Gigant Plant in Czechoslovakia, recently completed, was built to provide the needed additional capacity.

6. The principal products are transformers, high voltage switchgear, turbo-generators, electric motors and electro-locomotive parts. Prior to World War I the company pioneered in the building of turbo-generators, but since then has not kept pace with the industry as a whole, for example, at this late date it does not weld generator bodies. Transformers are of up-to-date design. Switchgear is of pre-World War II design. The plant produces about 70% of the electric motors of various sizes needed by Hungarian industry, using aluminum instead of copper wherever possible. Up to 1950, electrical instruments such as meters and recorders were manufactured here but since then this part of the plant has been removed to Godollo, located about 25 kilometers NE of the center of Budapest. Electrical equipment necessary for the manufacture of diesel-electric locomotives, freight & passenger railroad cars are manufactured here and shipped to the Ganz Wagon Works, 31 Kobanyai St for assembly into completed units. Electrical equipment for ships is supplied to the Ganz Shipyard, 9 Meder St. 50X1-HUM

7. During a normal pre-World War II peace-time year approximately six-eight million dollars of sales were made. Since nationalization the output has almost doubled. No production figures are available for specific products since the composition of output depends on the specific orders on hand at any given time. However, the plant capacity, depending on the kind of production, varies from 150 thousand kw to 180 thousand kw.

8. The plant continued to produce electrical equipment thru World War II for old and new industrial needs and did not convert to primary instruments of war.

9. Plant equipment includes several hundred lathes, drills and standard machine tools, as well as special tools manufactured by the Ganz Wagon Factory, 31 Kobanyai St, Budapest. Some of the standard machines and tools were imported immediately after the war Most of these items are well-worn and obsolete, and are not maintained properly because of emphasis on high production. The plant does not have a foundry or a forging shop. All castings and forgings come from the Ganz Wagon Works. 50X1-HUM 50X1-HUM

10. Power supply, which is not adequate, is supplied by the Municipal Electric Works.

11. Covered storage facilities are limited due to lack of space for the erection of warehouses, consequently valuable goods are stored outside subject to weather damage. The four storehouses are small and inadequate. Finished parts and components are shipped out as soon as they are made.

12. The plant has no railroad connection, nor port facilities. Consequently trucks do the hauling to the river and RR terminals, with the exception that the heavy machines and components are transported over trolley car tracks to the terminals.

13. Raw material and component parts such as copper, ball bearing, etc come from the Satellite countries or are smuggled in from other European countries. Aluminum products come from within Hungary.

14. Coal for heating purposes comes from local mines, water from the municipal water supply company.

15. The entire production is controlled by the Planning Board and Ministry for Heavy Industry. Some shipments go to Czechoslovakia, but the bulk are sent to the USSR as reparations.

16. Research is directed by the Electric Research Institution. The development of a new type of turbo-generator rotor (cross field), electric AC locomotives, and the substitution of aluminum for copper is being worked on. A new research center to be completed in 1955 is being planned.

17. The plant has its own fire brigade. The new buildings are fire-proof, but the reconstructed buildings of wood present a hazard, especially because of the crowded condition. Although the bomb shelters are only splinter-proof, during the bombing and fire they remained intact.

18. The Ministry of Heavy Industry and the Security Police create and supervise the security regulations. Only visitors who have the approval of the Ministry of Heavy Industry are allowed in the plant.

19. A school for apprentices, teaching them to become electric fitters and assemblers is located in the plant. Prior to World War II the teachers job was to make good mechanics but since then a large amount of time is spent on political training.

20. Since there are no living quarters for the workers within or near the plant area, they live wherever they can find space. Consequently they have a commuting problem. The government has promised to build apartment houses but no effort to do so is apparent. Members of the Security Police moved into apartments close to the plant which were vacated when the deportation of the middle class took place.

- end -

ENCLOSURE (A): Sketch Showing Layout Plan of Ganz Electric Works, Budapest, Hungary with Legend

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SKETCH SHOWING LAYOUT PLAN OF GANZ ELECTRIC WORKS, BUDAPEST, HUNGARY WITH LEGEND

Scale 1: 2000

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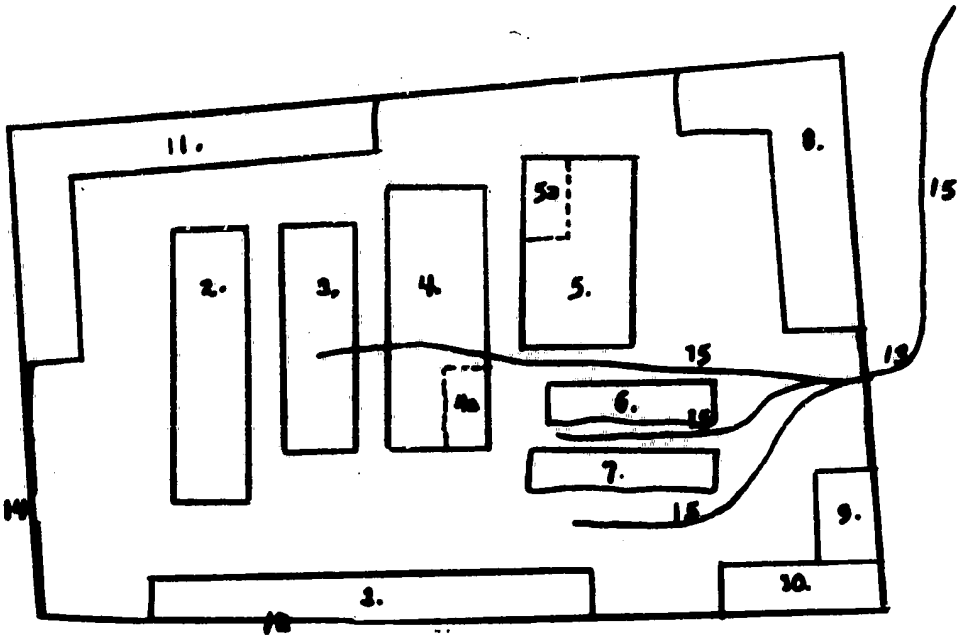

1. Administrative offices
2. [illegible] (new building)
3. [illegible] (new building)
4. [illegible] (building reconstructed
5. [illegible] production (building recon-
6. [illegible] (former production shop)
7. [illegible] (former production shop)
8. [illegible]
9. [illegible]
10. [illegible]

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